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August 17, 2001

VIA OVERNIGHT DELIVERY

K. David Waddell, Executive Secretary
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, Tennessee 37243

01-00728

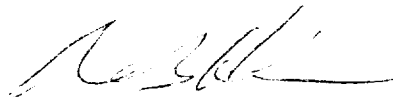
Re: Application of East Tennessee Network, LLC for a Certificate of Convenience and
Necessity to Provide Facilities-Based and Resold Local Exchange and
Interexchange Telecommunications Services Throughout the State of Tennessee

Dear Mr. Waddell:

East Tennessee Network, LLC by its undersigned counsel, hereby files an original and thirteen (13) copies of its Application for a Certificate of Public Convenience and Necessity to provide facilities-based and resold local exchange and interexchange telecommunications services throughout the State of Tennessee. Also enclosed is a check in the amount of \$25.00 to cover the filing fee.

Please date stamp the extra copy of this filing and return it to me in the enclosed self-addressed stamped envelope. Thank you for your assistance

Respectfully submitted,



Katherine A. Rolph
Paul B. Hudson
Counsel for East Tennessee Network, LLC

Enclosures

cc: Duane Uhls

BEFORE THE TENNESSEE REGULATORY AUTHORITY

**IN THE MATTER OF THE APPLICATION
OF EAST TENNESSEE NETWORK, LLC
FOR A CERTIFICATE TO PROVIDE
LOCAL TELECOMMUNICATIONS SERVICES**

**APPLICATION FOR CERTIFICATE TO PROVIDE
COMPETING LOCAL TELECOMMUNICATIONS SERVICES**

Pursuant to applicable Tennessee Statutes and the Rules and Regulations of the Tennessee Regulatory Authority and Section 253 of the Federal Telecommunications Act of 1996 ("Act"), East Tennessee Network, LLC ("ETN") respectfully requests that the Tennessee Regulatory Authority ("TRA") grant to ETN authority to provide, via its own facilities and by resale, competing local telecommunications services, including exchange access telecommunications services, within the State of Tennessee. ETN is willing and able to comply with all applicable rules and regulations in Tennessee pertaining to the provision of competing local telecommunications services, including TCA 65-4-201.

1. In support of its Application, ETN submits the following:

The full name and address of the Applicant is:

East Tennessee Network, LLC
125 West Summer Street
Greenville, Tennessee 37743
Telephone: (423) 798-0545

Questions regarding this application should be directed to:

Paul B. Hudson
Swidler Berlin Shereff Friedman, LLP
3000 K St. NW, Suite 300
Washington, DC 20007
Telephone: (202) 945-6940
Facsimile: (202) 424-7645
Email: pbhudson@swidlaw.com

Questions regarding ETN after certification should be directed to:

Duane Uhls
Vice-President
125 West Summer Street
Greenville, Tennessee 37743
Telephone: (423) 638-4181
Facsimile: (423) 639-9701

2. Organization Chart of Corporate Structure

See Exhibit A

3. Corporate Information:

East Tennessee Network was formed in 1994 and was incorporated as an LLC under the laws of Tennessee on April 8, 1996. A copy of ETN's Articles of Organization is provided in **Exhibit B**, and evidence of its filing and ETN's authority to transact business in Tennessee is attached as **Exhibit C**. The names and addresses of ETN's principal corporate officers are provided in **Exhibit D**. The biographies of the principal officers and other key technical staff are provided in **Exhibit E**.

4. East Tennessee Network possesses the managerial, technical, and financial ability to provide local telecommunications service in the State of Tennessee as demonstrated below:

A. Financial Qualifications:

In support of its financial qualifications, ETN submits its year-end 2000 financial statement and its capital expenditure budget in **Exhibits F and G**. ETN is a private company and its financial statements and projections include commercially-sensitive information. Therefore, these exhibits are provided in a separate, sealed envelope and ETN respectfully requests confidential treatment thereof. ETN is a member of a group of family owned companies with common ownership. Its affiliates include the Greenville Sun newspaper. East Tennessee Network has been an Internet Service Provider since 1994 and provides service to over 12,000 customers in the East Tennessee area. Prior to seeking authority to provide telecommunications services, ETN's principal line of business has been the provision of enhanced services, including Internet service and web page design.

In addition to its own financing ability, ETN has the ability to draw on the substantial financial resources commonly owned affiliates. ETN has adequate resources to meet the anticipated funding needs of its business plan. ETN seeks authority to provide telecommunications services in the state so that it may provide a wider array of services and options to its existing customers and to new customers, and so that it may adapt to changing market conditions.

The company intends to provide its own facilities for the provisioning of DSL service in order to expand the availability of DSL in the East Tennessee service area.

Confidential Exhibit F summarizes the recent financial performance of ETN. The statements include income statements, balance sheet, and statement of cash flows for year-end 2000. Also included are interim statements for 2001 and projections for 2002, 2003, and 2004 including income statement, balance sheets and statement of

cash flows. Thus, ETN submits that it has the financial resources necessary to operate as a competitive local provider in Tennessee.

Confidential Exhibit G is a capital expenditure budget for 2001, 2002, and 2003 indicating the type of equipment to be purchased, cost, and sources for funding of projected capital expenditures.

ETN's projected financials do not anticipate any revenues or expenses associated with reciprocal compensation.

Evidence of a Corporate Surety Bond undertaken pursuant to Title 65, Chapter 4, Section 125(j) of the Tennessee Code is provided as **Exhibit H**.

B. **Managerial Ability:**

As shown in **Exhibit E** of this Application, ETN has the managerial expertise to successfully operate a telecommunications enterprise in Tennessee. As described in the attached biographical information, ETN's management team has extensive management and business experience in data networks and interfacing with the public switched telephone network.

C. **Technical Qualifications:**

ETN's services will satisfy all applicable minimum standards established by the TRA. The Company will file and maintain tariffs in the manner prescribed by the TRA and will meet minimum basic local standards, including quality of service and billing standards required of all LECs regulated by the TRA. ETN will not require customers to purchase CPE for basic local exchange or interexchange service which cannot be used with the Incumbent Local Exchange Carrier's systems.

Exhibit E details the technical qualifications of two managers with extensive experience and several years of telecommunications expertise. Thus, ETN possesses the technical qualifications to provide telecommunications service in Tennessee.

5. **Proposed Service Area:**

ETN applies for statewide authority, and proposes to offer its services initially in the service areas of Sprint and BellSouth in the Upper East Tennessee area. ETN intends to offer telecommunications service through the use of its own facilities, unbundled network elements from other carriers, and/or the resale of the services of other carriers. ETN will collocate eligible equipment in the local exchange carrier central offices and use unbundled network elements to provision its service.

6. **Types of Local Exchange Service to be provided:**

ETN initially plans to offer data services, but seeks authority to provide all forms of regulated telecommunications service throughout the state of Tennessee. Initially, ETN intends to offer service in the upper East Tennessee markets, such as Greenville, Athens, Newport, Johnson City, and Elizabethton. ETN will comply with all applicable statutes, regulations and orders of the TRA in connection with each of its services.

7. Repair and Maintenance:

ETN understands the importance of effective customer service for local service customers. ETN has made arrangements for its customers to call the company at its toll-free customer service number 1-888-323-1142. In addition, customers may contact the company in writing at the headquarters address, as well as via email at support@xtn.net. The toll-free number will be printed on the customer's monthly billing statements. The contact person knowledgeable about ETN operations is Duane Uhls, Vice-President.

Grant of the Application will further the goals of the Tennessee Legislature and further the public interest by expanding the availability of competitive telecommunications services in the State of Tennessee. In addition, intrastate offering of these services is in the public interest because the services will provide Tennessee customers increased efficiencies and cost savings. Authorizing ETN to provide local exchange and interexchange telecommunications services will enhance materially the telecommunications infrastructure in the State of Tennessee and will facilitate economic development.

In particular, the public will benefit both directly, through the use of the competitive services to be offered by ETN and indirectly, because ETN's presence in Tennessee will increase the incentives for other telecommunications providers to operate more efficiently, offer more innovative services, reduce their prices, and improve the quality of service. Grant of the Application will further enhance the service options available to Tennessee citizens for the reasons set forth above.

8. Small and Minority-Owned Telecommunications Business Participation Plan:

See **Exhibit I**

9. Toll Dialing Parity Plan:

East Tennessee Networks, LLC does not intend initially to provide voice grade service and therefore is not filing a Toll Dialing Parity Plan. Unless no longer required, ETN will file a Toll Dialing Parity Plan at least 60 days in advance of any provision of regulated intrastate voice grade local exchange service in Tennessee.

10. ETN has served notice of this application to the eighteen (18) incumbent local exchange telephone companies in Tennessee with a statement regarding ETN's

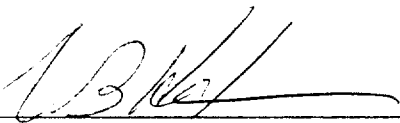
intention of operating geographically. A list of these carriers and a certificate of service are provided in Exhibit J.

11. Numbering Issues: At this time, ETN has no plan to request assignment of NXXs or issue its own telephone numbers.
12. Tennessee Specific Operational Issues: See Exhibit K.
13. Miscellaneous:
 - A. Sworn Pre-filed testimony: Exhibit L.
 - B. ETN does not require customer deposits.
 - C. ETN has not operated as a CLEC in Tennessee, or any other state, and therefore has not received any customer complaints.
 - D. ETN will file a proposed tariff in advance of providing regulated services in Tennessee, in accordance with all applicable statutes and regulations.

CONCLUSION:

ETN respectfully requests that the TRA enter an order granting it a certificate of convenience and necessity to operate as a competing telecommunications service provider and authority to provide a full range of local exchange on a facilities-based and resale basis throughout the State of Tennessee in the service areas of Bell South, GTE, and Sprint and any other ILEC that does not enjoy a rural exemption under Section 251(f) of the Telecommunications Act of 1996. For the reasons stated above, ETN's provision of these services would promote the public interest by providing high-quality service at competitive prices and by creating greater economic incentives for the development and improvement for all competing providers.

Respectfully submitted this 17th day of August 2001.



Counsel for East Tennessee Network, LLC

Katherine A. Rolph

Paul B. Hudson

Swidler Berlin Shereff Friedman, LLP

3000 K Street, N.W., Suite 300

Washington, D.C. 20007

Phone: 202-945-6950

Fax: 202-424-7645

pbhudson@swidlaw.com

EXHIBIT A

**ORGANIZATIONAL CHART OF CORPORATE STRUCTURE
EAST TENNESSEE NETWORK, LLC**

EAST TENNESSEE NETWORK ORGANIZATIONAL CHART

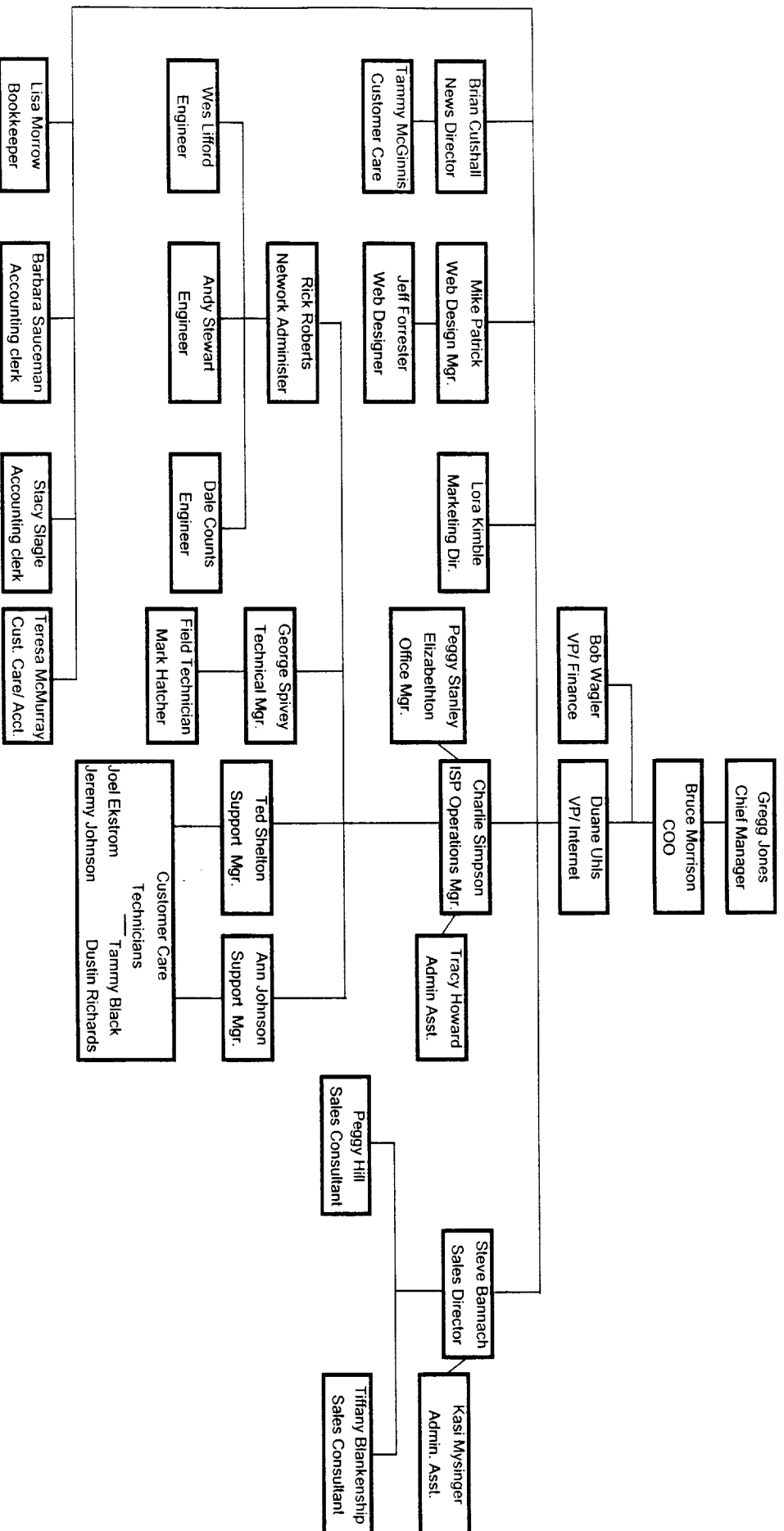


EXHIBIT B

**ARTICLES OF ORGANIZATION
EAST TENNESSEE NETWORK, LLC**

FILED

1013-1185

**ARTICLES OF ORGANIZATION FOR
EAST TENNESSEE NETWORK, LLC**

The undersigned, acting as organizer of a Limited Liability Company under the provisions of the Tennessee Limited Liability Company Act, § 48-205-101, adopts the following Articles of Organization.

ARTICLE I.

The name of the Limited Liability Company is East Tennessee Network, LLC (the "Company").

ARTICLE II.

The name of the Company's initial registered agent and the address of the initial registered office in Tennessee are:

M. Kevin Outtersen
Baker, Donelson, Bearman & Caldwell, P.C.
207 Mockingbird Lane
Johnson City, Tennessee 37604

ARTICLE III.

The name and address of the organizer of the Company is:

Jack L. Mayfield
Baker, Donelson, Bearman & Caldwell, P.C.
207 Mockingbird Lane
Johnson City, Tennessee 37604

928-0181

ARTICLE IV.

At the date and time of formation and at the date and time of filing there are five (5) members.

ARTICLE V.

The Company will be board managed.

ARTICLE VI.

This document is to be effective upon the filing of these Articles by the State.

ARTICLE VII.

The complete address of the Company's principal office is:

121 W. Summer Street
Greeneville, Tennessee 37743

ARTICLE VIII.

The Company has the power to expel a member.

ARTICLE IX.

The Company shall continue for a term which shall expire December 31, 2004.

ARTICLE X.

The Company shall not be dissolved or required to be wound up by reason of any event which terminates the continued membership of a member if there are at least two (2) remaining members and the existence and business of the Company are continued by the consent of a majority in interest of the remaining members obtained within ninety (90) days after the termination of the continued membership.

ARTICLE XI.

The members do not have preemptive rights.

ARTICLE XII.

A Governor's personal liability to the Company or its members for monetary damages for breach of fiduciary duty shall be limited to the fullest extent permitted by the Tennessee Limited Liability Company Act.

4-3-96
Signature Date

Jack L. Mayfield
Jack L. Mayfield, Organizer

J JM26471 V1

Received of Barbara Davidson et al
CASH ☐
MAIL ☒ FILE ☐
Jack L. Mayfield
2004 March 1st

State of Tennessee, Greene County Register's Office
Instrument recorded in Book 877A Page 763
Filed for record at 4:14 P.M. on the 9 day of April 1996.
Noted in Book 6156 Page 176 R No. Carolyn B. Moren, Reg.
Deputy

765

When Revenue is Paid by Check, This Receipt Is Not Valid Until Check is Paid by Bank.

OFFICIAL RECEIPT

Nº 61566

CAROLYN B. MORRELL

REGISTER OF GREENE COUNTY, TENNESSEE

Greeneville, Tenn., 4-9, 1996

Received of Baker Donelson

For Charter

Greater of
Consideration
or Value

Transfer Item S(a)	Mortgage Item S(b)
\$	\$

From East Tenn. Network LLC

To _____

Notebook Reference _____ Book 6 Page 127

Cash ☐ Check ☒

Recording Fees:

Warranty Deed \$
Trust Deed \$
Marginal Release \$
U. C. C. \$
Miscellaneous \$ 5.00

State Tax:

Transfer—Item S(a) \$
Mortgage—Item S(b) \$
Register's Fee \$

Other Revenue:

..... \$
Total \$ 5.00

REGISTER

DEPUTY REGISTER

EXHIBIT C

**EVIDNECE OF AUTHORITY TO TRANSACT BUSINESS IN TENNESSEE
EAST TENNESSEE NETWORK, LLC**

Secretary of State

Corporations Section

James K. Polk Building, Suite 1800

Nashville, Tennessee 37243-0306

DATE: 04/08/96
REQUEST NUMBER: 3157-0846
TELEPHONE CONTACT: (615) 741-0537
FILE DATE/TIME: 04/04/96 1053
EFFECTIVE DATE/TIME: 04/04/96 1053
CONTROL NUMBER: 0310050

TO:
BAKER DONELSON
P.O. BOX 3038 CRS

JOHNSON CITY, TN 37602

RE:
EAST TENNESSEE NETWORK, LLC
ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

CONGRATULATIONS UPON THE FORMATION OF THE LIMITED LIABILITY IN THE STATE OF TENNESSEE WHICH IS EFFECTIVE AS INDICATED ABOVE.

A LIMITED LIABILITY COMPANY ANNUAL REPORT MUST BE FILED WITH THE SECRETARY OF STATE ON OR BEFORE THE FIRST DAY OF THE FOURTH MONTH FOLLOWING THE CLOSE OF THE LIMITED LIABILITY COMPANY'S FISCAL YEAR. ONCE THE FISCAL YEAR HAS BEEN ESTABLISHED, PLEASE PROVIDE THIS OFFICE WITH WRITTEN NOTIFICATION. THIS OFFICE WILL MAIL THE REPORT DURING THE LAST MONTH OF SAID FISCAL YEAR TO THE LIMITED LIABILITY COMPANY AT THE ADDRESS OF ITS PRINCIPAL OFFICE OR TO A MAILING ADDRESS PROVIDED TO THIS OFFICE IN WRITING. FAILURE TO FILE THIS REPORT OR TO MAINTAIN A REGISTERED AGENT AND OFFICE WILL SUBJECT THE LIMITED LIABILITY COMPANY TO ADMINISTRATIVE DISSOLUTION.

WHEN CORRESPONDING WITH THIS OFFICE OR SUBMITTING DOCUMENTS FOR FILING, PLEASE REFER TO THE LIMITED LIABILITY COMPANY CONTROL NUMBER GIVEN ABOVE. PLEASE BE ADVISED THAT THIS DOCUMENT MUST ALSO BE FILED IN THE OFFICE OF THE REGISTER OF DEEDS IN THE COUNTY WHEREIN A LIMITED LIABILITY COMPANY HAS ITS PRINCIPAL OFFICE IF SUCH PRINCIPAL OFFICE IS IN TENNESSEE.

TIN: 62-1639266

FOR: ARTICLES OF ORGANIZATION -
LIMITED LIABILITY COMPANY

ON DATE: 04/08/96

FROM:
BAKER DONELSON BEARMAN ETC (JOHNSON CITY
207 MOCKINGBIRD LN

JOHNSON CITY, TN 37601-0000

RECEIVED: FEES \$300.00 \$0.00
TOTAL PAYMENT RECEIVED: \$300.00

RECEIPT NUMBER: 00001946239
ACCOUNT NUMBER: 00208386



Riley C. Darnell

RILEY C. DARNELL
SECRETARY OF STATE

763

EXHIBIT D

NAMES AND ADDRESSES OF PRINCIPAL CORPORATE OFFICERS EAST TENNESSEE NETWORK, LLC

Chief Manager of The Board -

Gregg K. Jones
125 West Summer Street
Greenville, Tennessee 37743

Chief Financial Officer -

Robert Wagler
125 West Summer Street
Greenville, Tennessee 37743

Chief Operating Officer -

Bruce Morrison
125 West Summer Street
Greenville, Tennessee 37743

Vice-President -

Duane Uhls
125 West Summer Street
Greenville, Tennessee 37743

EXHIBIT E

BIOGRAPHIES OF PRINCIPAL OFFICERS EAST TENNESSEE NETWORK, LLC

Gregg Jones, Chief Manager, East Tennessee Network

Gregg K. Jones, **Chief Manager** - is also the co-publisher of *The Greeneville Sun*, President of Media Services Group, Inc., and member of a multi-generation East Tennessee newspaper family. As MSGI's president, Jones supervises the operations of his family's media publications and Internet services and is very active in state, regional and national media organizations.

Past president of the Tennessee Press Association and the Southern Newspaper Publishers Association, Jones is currently treasurer of the Newspaper Association of America – the largest newspaper organization in North America, representing more than two thousand newspapers and ninety-eight percent of America's daily newspaper circulation – and will become its chairman in three years. Jones was elected to the board of the Associated Press three times, the maximum number of terms possible.

Jones is past president of the East Tennessee Foundation and, in addition to his other professional and civic involvements, is past president of Morgan Square, Inc., a nonprofit public benefit corporation shepherding the development of the \$15 million Morgan Square project in the center of the National Register Historic District in downtown Greeneville, Tennessee.

Robert Wagler, Chief Financial Officer

Robert Wagler, **VP Finance** - a Certified Public Accountant, was born and raised in upstate New York. After graduation from college, he worked at a CPA firm where he gained valuable experience in both tax and auditing functions. In 1983, he became accounting manager for Park Newspapers in Lumberton, North Carolina, which published a daily and a weekly newspaper. In 1986, he joined the John M. Jones newspaper group as controller where he helped to establish and structure Media Services Group, Inc., the management and accounting team for the Jones' media companies.

Wagler oversees all accounting functions for MSGI, including East Tennessee Network, and is the primary financial advisor for the management team. His responsibilities include budgeting, investing, auditing, contract negotiating, establishing policies and procedures, and aiding in acquisitions, mergers, and divestitures. His analytical skills coupled with his 20+ years of experience enable him to identify and resolve problems.

Bruce Morrison, Chief Operating Officer

Bruce G. Morrison, **Chief Operating Officer** – has been the chief operating officer of Media Services Group since 1988. From 1980-1988 he was publisher of The Concord Tribune in North Carolina and regional vice president for Park Communications. He was publisher in Alabama of the Selma Times-Journal and vice president for the parent company, Boone Newspapers from 1973-1980. He is a graduate of the Army Information School, the Milwaukee School of Broadcasting and holds a degree in business law.

Duane Uhls, Vice-President Operations

Duane Uhls, **VP/ Internet operations** – has successfully managed East Tennessee Network for three years following 30 years of various newspaper management experiences. He also manages its commercial Web design business and has provided the vision to develop database driven community Web sites and e-commerce, automobile and real estate products for related print companies to sell in combination with print products. Prior to leading East Tennessee Network, Uhls managed sales, distribution, service and marketing for Media Services Group, Inc. (MSGI) as VP/Circulation and published three of its newspapers in the East Tennessee region, which included *The Herald-News* (Dayton, Tenn), *Monroe County Advocate & Democrat* (Sweetwater, Tenn.), and *The Rogersville Review* (Rogersville, Tenn.). He held management positions with the former Lindsay-Schaub Newspaper Group in Illinois prior to MSGI. Uhls has received regional and statewide recognition for community service.

George Spivey, Operations Manager

George E. Spivey, **Technical Manager** - has been with East Tennessee Network since its inception. His primary responsibility has been overseeing the technical infrastructure for the ISP division and has had extensive involvement with ILECs, CLECs, software and hardware providers. Spivey is leading technical development of ETN's CLEC and wireless operations.

Charlie Simpson, Customer Service Manager

Charles Simpson, **Operations and Customer Service Manager** - is responsible for the day-to-day operations of East Tennessee Network, which includes providing dial up Internet services to more than twelve thousand customers. Simpson coordinated and implemented integration with the Sprint "Fast Connect" DSL network and currently oversees the field operations of East Tennessee Network's DSL services. Prior to his employment with East Tennessee Network, Mr. Simpson spent several years installing and maintaining security and fire detection systems under sub contract to the Simplex-Grinnell companies, these systems included, access control, intrusion detection, event and alarm management, CCTV integration, remote video surveillance, image verification and report generation.

EXHIBIT F

**FINANCIAL STATEMENTS OF
EAST TENNESSEE NETWORK, LLC**

***THIS EXHIBIT IS CONFIDENTIAL AND HAS BEEN
FILED UNDER SEAL***

1. Year-end 2000

- F.1 Balance Sheet, December 31, 2000**
- F.2 Income Statement, December 31, 2000**
- F.3 Statement of Cash Flows, December 31, 2000**

2. Interim Financial Statements 2001

- F.4 Balance Sheet, June 30, 2001**
- F.5 Income Statement, June 30, 2001**
- F.6 Statement of Cash Flows, June 30, 2001**

3. Financial Projections 2002, 2003, and 2004

- F.7 Forecasted Income Statement**
- F.8 Forecasted Statement of Cash Flows**

EXHIBIT G
CAPITAL EXPENDITURE BUDGET
2001 – 2003
EAST TENNESSEE NETWORK, LLC

***THIS EXHIBIT IS CONFIDENTIAL AND HAS BEEN
FILED UNDER SEAL***

EXHIBIT H

**CORPORATE SURETY BOND
EAST TENNESSEE NETWORK, LLC**

TENNESSEE REGULATORY AUTHORITY

TENNESSEE TELECOMMUNICATIONS SERVICE PROVIDER'S SURETY BOND

Bond #: 103438911

WHEREAS, East Tennessee Network LLC (the "Principal"), has applied to the Tennessee Regulatory Authority for authority to provide telecommunications services in the State of Tennessee; and

WHEREAS, under the provisions of Title 65, Chapter 4, Section 125(j) of the Tennessee Code Annotated, as amended, the Principal is required to file this bond in order to obtain such authority and to secure the payment of any monetary sanction imposed in any enforcement proceeding brought under Title 65 of the Tennessee Code Annotated or the Consumer Telemarketing Act of 1990 by or on behalf of the Tennessee Regulatory Authority (the "TRA"); and

WHEREAS, Travelers Casualty & Surety Co. of America (the "Surety"), a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, has agreed to issue this bond in order to permit the Principal to comply with the provisions of Title 65, Chapter 4, Section 1250) of the Tennessee Code Annotated;

NOW THEREFORE, BE IT KNOWN, that we the Principal and the Surety are held and firmly bound to the STATE OF TENNESSEE, in accordance with the provisions of Tennessee Code Annotated, Title 65, Chapter 4, Section 1250), in the full amount of twenty thousand dollars (\$20,000.00) lawful money of the United States of America to be used for the full and prompt payment of any monetary sanction imposed against the Principal, its representatives, successors or assigns, in any enforcement proceeding brought under Title 65 of Tennessee Code Annotated or the Consumer Telemarketing Act of 1990, by or on behalf of the TRA, for which obligation we bind ourselves, our representatives, successors and assigns, each jointly and severally, firmly and unequivocally by these presents.

This bond shall become effective on the 10th day of August, 2001, and shall be continuous; provided, however, that each annual renewal period or portion thereof shall constitute a new bond term. Regardless of the number of years this bond may remain in force, the liability of the Surety shall not be cumulative, and the aggregate liability of the Surety for any and all claims, suits or actions under this bond shall not exceed Twenty Thousand Dollars (\$20,000.00). The Surety may cancel this bond by giving thirty (30) days written notice of such cancellation to the TRA and Principal by certified mail, it being understood that the Surety

shall not be relieved of liability that may have accrued under this bond prior to the date of cancellation.

PRINCIPAL

East Tennessee Network LLC
Name of Company authorized by the TRA

Company ID# as assigned by TRA

SIGNATURE OF PRINCIPAL



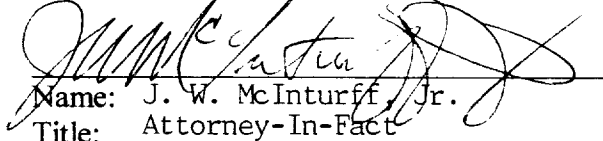
Name: GREGG JONES
Title: Chief Manager

SURETY

Travelers Casualty & Surety Co. of America
Name of Surety

One Tower Square, Hartford, CT 06183
Address of Surety

SIGNATURE OF SURETY AGENT



Name: J. W. McInturff, Jr.
Title: Attorney-In-Fact

Address of Surety

Travelers Casualty & Surety Co. of America
One Tower Square
Hartford, CT 06183

THIS BOND IS ISSUED IN ACCORDANCE WITH THE PROVISIONS OF SECTION 125, CHAPTER 4, TITIX 65 OF THE TENNESSEE CODE ANNOTATED AS AMENDED BY CHAPTER NO. 586,2000 PUBLIC ACTS. SHOULD THERE BE ANY CONFLICT WITH THE TERMS HEREOF AND THE STATUTE OR REGULATIONS PROMULGATED THEREUNDER, THE STATUTE OR REGULATIONS SHALL PREVAIL.

ACKNOWLEDGMENT OF PRINCIPAL

STATE OF TENNESSEE

COUNTY OF Greene

Before me, a Notary Public of the State and County aforesaid, personally appeared K. Jones with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of EAST TENNESSEE NETWORKS and he acknowledged to me that he executed the same.

WITNESS my hand and seal this 16th day of August, 2001.

My Commission Expires:

01-11-, 2003


Notary Public

ACKNOWLEDGMENT OF SURETY

STATE OF TENNESSEE

COUNTY OF Greene

Before me, a Notary Public of the State and County aforesaid, personally appeared with whom I am personally acquainted and who, upon oath, acknowledged himself to be the individual who executed the foregoing bond on behalf of Travelers Casualty & Surety Co. of America, the within named Surety, a corporation licensed to do business in the State of Tennessee and duly authorized by the Tennessee Commissioner of Insurance to engage in the surety business in this state pursuant to Title 56, Chapter 2 of the Tennessee Code Annotated, and that he as such an individual being authorized to do so, executed the foregoing bond, by signing the name of the corporation by himself and as such individual.

WITNESS my hand and seal this 10th day of August, 2001.

My Commission Expires:

4-24-05, 2001


Notary Public

APPROVAL AND INDORSEMENT

This is to certify that I have examined the foregoing bond and found the same to be sufficient and in conformity to law, that the sureties on the same are good and worth the penalty thereof, and that the same has been filed with the Tennessee Regulatory Authority, State of Tennessee, this _____ day of _____, 20__.

Name:

Title:

**TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY
Hartford, Connecticut 06183-9062**

POWER OF ATTORNEY AND CERTIFICATE OF AUTHORITY OF ATTORNEY(S)-IN-FACT

KNOW ALL PERSONS BY THESE PRESENTS, THAT TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, corporations duly organized under the laws of the State of Connecticut, and having their principal offices in the City of Hartford, County of Hartford, State of Connecticut, (hereinafter the "Companies") hath made, constituted and appointed, and do by these presents make, constitute and appoint: **J. W. McInturff, Jr., Dan C. Jackson, Gypsy Norton, Charles S. Brooks, Elizabeth A. Newton, of Greeneville, Tennessee,** their true and lawful Attorney(s)-in-Fact, with full power and authority hereby conferred to sign, execute and acknowledge, at any place within the United States, the following instrument(s): by his/her sole signature and act, any and all bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking and any and all consents incident thereto *not exceeding the sum of ONE MILLION (\$1,000,000.00) DOLLARS per bond* and to bind the Companies, thereby as fully and to the same extent as if the same were signed by the duly authorized officers of the Companies, and all the acts of said Attorney(s)-in-Fact, pursuant to the authority herein given, are hereby ratified and confirmed.

This appointment is made under and by authority of the following Standing Resolutions of said Companies, which Resolutions are now in full force and effect:

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her.

VOTED: That the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary.

VOTED: That any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary, or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority.

This Power of Attorney and Certificate of Authority is signed and sealed by facsimile (mechanical or printed) under and by authority of the following Standing Resolution voted by the Boards of Directors of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, which Resolution is now in full force and effect:

VOTED: That the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any power of attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such power of attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN WITNESS WHEREOF, TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY have caused this instrument to be signed by their Senior Vice President and their corporate seals to be hereto affixed this 15th day of January 2001.

STATE OF CONNECTICUT

}SS. Hartford

COUNTY OF HARTFORD

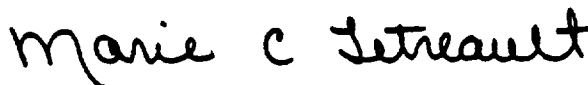
TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA
TRAVELERS CASUALTY AND SURETY COMPANY
FARMINGTON CASUALTY COMPANY



By 
George W. Thompson
Senior Vice President

On this 15th day of January, 2001 before me personally came GEORGE W. THOMPSON to me known, who, being by me duly sworn, did depose and say: that he/she is Senior Vice President of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, the corporations described in and which executed the above instrument; that he/she knows the seals of said corporations; that the seals affixed to the said instrument are such corporate seals; and that he/she executed the said instrument on behalf of the corporations by authority of his/her office under the Standing Resolutions thereof.





My commission expires June 30, 2001 Notary Public
Marie C. Tetreault

CERTIFICATE

I, the undersigned, Assistant Secretary of TRAVELERS CASUALTY AND SURETY COMPANY OF AMERICA, TRAVELERS CASUALTY AND SURETY COMPANY and FARMINGTON CASUALTY COMPANY, stock corporations of the State of Connecticut, DO HEREBY CERTIFY that the foregoing and attached Power of Attorney and Certificate of Authority remains in full force and has not been revoked; and furthermore, that the Standing Resolutions of the Boards of Directors, as set forth in the Certificate of Authority, are now in force.

Signed and Sealed at the Home Office of the Company, in the City of Hartford, State of Connecticut. Dated this 10th day of August, 2001.



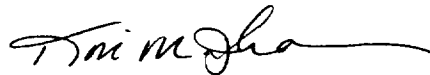
By 
Kori M. Johanson
Assistant Secretary, Bond

EXHIBIT I

SMALL AND MINORITY-OWNED TELECOMMUNICATIONS BUSINESS PARTICIPATION PLAN

Pursuant to T.C.A. § 65-5-212, as amended, East Tennessee Network, LLC ("ETN") submits this small and minority-owned Telecommunications business participation plan (the "Plan") along with its Application for a Certificate of Public Convenience and Necessity to provide competing intrastate telecommunications in Tennessee.

I. PURPOSE

The purpose of 65-5-212 is to provide opportunities for small and minority-owned businesses to provide goods and services to telecommunications service providers. ETN is committed to the goals of 65-5-212 and to taking steps to support the participation of small and minority-owned telecommunications businesses in the telecommunications industry. ETN will endeavor to provide opportunities for small and minority-owned Telecommunications businesses to compete for contracts and subcontracts for goods and services. As part of its procurement process, ETN will make efforts to identify and inform minority-owned and small businesses that are qualified and capable of providing goods and services to ETN of such opportunities. ETN's representatives have already contacted the Department of Economic and Community Development, the administrator of the small and minority-owned Telecommunications assistance program, to obtain a list of qualified vendors. Moreover, ETN will seek to increase awareness of such opportunities so that companies not otherwise identified will have sufficient information to participate in the procurement process.

II. DEFINITIONS

Minority-Owned Business. Minority-owned business shall mean a business which is solely owned, or at least fifty-one percent (51%) of the assets or outstanding stock of which is owned, by an individual who personally manages and controls daily operations of such business, and who is impeded from normal entry into the economic mainstream because of race, religion, sex or national origin and such business has annual gross receipts of less than four million dollars (\$4,000,000).

Small Business. Small Business shall mean a business with annual gross receipts of less than four million dollars (\$4,000,000).

III. ADMINISTRATION

ETN's Plan will be overseen and administered by the individual named below, hereinafter referred to as the Administrator, who will be responsible for carrying out and

promoting ETN's full efforts to provide equal opportunities for small and minority-owned businesses. The Administrator of the Plan will be:

Duane Uhls
East Tennessee Network, LLC
125 Summer Street
Greenville, Tennessee 37743
Telephone: (423) 798-0545
Facsimile: (423) 638-9701

The administrator's responsibilities will include:

- (1) Maintaining an updated Plan in full compliance with 65-5-212 and the rules and orders of the Tennessee Regulatory Authority.
- (2) Establishing and developing policies and procedures necessary for the successful implementation of the Plan.
- (3) Preparing and submitting such forms as may be required by the Tennessee Regulatory Authority, including the filing of required annual updates.
- (4) Serving as the primary liaison to and cooperate with the Tennessee Regulatory Authority, other agencies of the State of Tennessee, and small and minority-owned businesses to locate and use qualified small and minority-owned businesses as defined in 65-5-212.
- (5) Searching for and developing opportunities to use small and minority-owned businesses and encouraging such businesses to participate in and bid on contracts and subcontracts.
- (6) Proving records and reports and cooperate in any authorized surveys as required by the Tennessee Regulatory Authority.
- (7) Establishing a record-keeping system to track qualified small and minority-owned businesses and efforts to use such businesses.
- (8) Providing information and educational activities to persons with ETN and training such persons to seek out, encourage, and promote the use of small and minority-owned businesses.

In performance of these duties, the Administrator will utilize a number of resources, including:

Chambers of Commerce
The Tennessee Department of Economic and Community Development
The United States Department of Commerce
 Small Business Administration
 Office of Minority Business
The National Minority Supplier Development Counsel
The National Association of Women Business Owners
The National Association of Minority Contractors
Historically Black College, Universities, and Minority Institutions

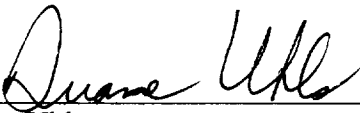
The efforts to promote and ensure equal opportunities for small and minority-owned businesses are primarily spelled out in the Administrator's duties above. Additional efforts to provide opportunities to small and minority-owned businesses will in offering, where appropriate and feasible, small and minority-owned businesses assistance with technical, insurance, bonding, licensing, production, and deadline requirements.

IV. RECORDS AND COMPLIANCE REPORTS

ETN will maintain records of qualified small and minority-owned business and efforts to use the goods and services of such businesses. In addition, ETN will maintain records of education and training activities conducted or attended and of the internal procurement procedures adopted to support this plan.

ETN will submit records and reports required by the Tennessee Regulatory Authority concerning the Plan. Moreover, ETN will cooperate fully with any surveys and studies required by the Tennessee Regulatory Authority.

East Tennessee Network, LLC

By: 
Duane Uhls
Vice-President

Dated: August 7, 2001

EXHIBIT J

**CERTIFICATE OF SERVICE OF NOTICE OF APPLICATION ON
INCUMBENT LOCAL EXCHANGE CARRIERS**

CERTIFICATE OF SERVICE

On this 17th day of August 2001, notice of the foregoing application of East Tennessee Network, LLC and of its intention of providing service was served by first-class mail on the following:

Ardmore Telephone Company, Inc.
P.O. Box 549
517 Ardmore Avenue
Ardmore, TN 38449

TDS Telecom-Concord Telephone Exchange, Inc.
P.O. Box 22610
701 Concord Road
Knoxville, TN 37933-0610

BellSouth
333 Commerce Street
Nashville, TN 37201-3300

TDS Telecom-Humphreys Co. Telephone Company
P.O. Box 552
203 Long Street
New Johnsonville, TN 37134-0552

Century Telephone of Adamsville
P.O. Box 405
116 N. Oak Street
Adamsville, TN 38310

TDS Telecom-Tellico Telephone Company, Inc.
P.O. Box 9
102 Spence Street
Tellico Plains, TN 37385-0009

Century Telephone of Claiborne
P.O. Box 100
507 Main Street
New Tazewell, TN 37825

TDS Telecom-Tennessee Telephone Company
P.O. Box 18139
Knoxville, TN 37928-2139

Century Tel. of Ooltewah- Collegedale, Inc.
P.O. Box 782
5616 Main Street
Ooltewah, TN 37363

TEC-Crockett Telephone Company, Inc.
P.O. Box 7
Friendship, TN 38034

Citizens Communications Co. of Tennessee
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

TEC-People's Telephone Company, Inc.
P.O. Box 310
Erin, TN 37061

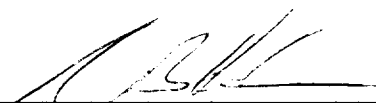
Citizens Comm.Co. of the Volunteer State
P.O. Box 770
300 Bland Street
Bluefield, WV 24701

TEC-West Tennessee Telephone Company, Inc.
P.O. Box 10
244 E. Main Street
Bradford, TN 38316

Loretto Telephone Company, Inc.
P.O. Box 130
Loretto, TN 38469

United Telephone Company
P.O. Box 38
120 Taylor Street
Chapel Hill, TN 37034

Millington Telephone Company, Inc.
4880 Navy Road
Millington, TN 38053



Paul B. Hudson

Sprint-United
112 Sixth Street
Bristol, TN 37620

EXHIBIT K

TENNESSEE SPECIFIC OPERATIONAL ISSUES

Regarding questions 1 – 4: East Tennessee Network, LLC will initially not offer voice grade services. Therefore, TCA § 65-21-114, countywide calling, and other voice service billing issues are not applicable. ETN will comply with all applicable statutes and regulations in connection with any provision of regulated voice grade services.

Question 5: The name and telephone number of the person responsible to work with the TRA on resolving customer complaints is:

Charlie Simpson
(423) 323-1764

Question 6: The Company may telemarket services in Tennessee. The company is aware of the telemarketing statutes and regulations found in TCA 65-4-401 *et seq.* and Chapter 1220-4-11.

EXHIBIT L

PRE-FILED TESTIMONY OF DUANE UHLS AND ROBERT WAGLER

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**APPLICATION OF EAST TENNESSEE
NETWORK, LLC FOR A CERTIFICATE
TO PROVIDE COMPETING LOCAL
TELEPHONE SERVICES**

PRE-FILED TESTIMONY OF DUANE UHLS

I, Duane Uhls, do hereby testify as follows in support of the application of East Tennessee Network, LLC ("ETN") for a Certificate of Convenience and Necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Tennessee.

Q. Please state your full name, business address, and position.

A. My name is Duane Uhls, my business address is 125 West Summer St, Greeneville, Tennessee. I am Vice-President of East Tennessee Network, LLC.

Q. Please briefly describe your duties.

A. My duties at East Tennessee Network include responsibility for Operations, Customer Service, Administration, and Engineering.

Q. Please describe your business experience and educational background.

A. My biography is included as part of **EXHIBIT E** of the Application.

Q. Are all statements in East Tennessee Network, LLC's application for a Certificate of Convenience and Necessity true and correct to the best of your knowledge, information and belief?

A. Yes, they are.

Q. Does East Tennessee Network, LLC possess the requisite managerial, financial, and technical abilities to provide the services for which it has applied for authority?

A. Yes, East Tennessee Network, LLC possesses the requisite managerial, financial, and technical abilities to provide the services for which it has applied. ETN has provided quality Internet and data services to over 12,000 subscribers in the East Tennessee region for more six years. During that time the company has developed a team of skilled employees and established procedures for customer service and network operations. ETN has provided reliable non-regulated advanced services in under-served areas.

- Q. Please describe East Tennessee Network, LLC's managerial and technical qualifications.
- A. East Tennessee Network, LLC directly employs 30 people in its operations. Our affiliate companies employ an additional 420 people, some of whom support ETN's administrative operations. **EXHIBIT E** details the biographies of the principal officers of ETN. The principal officers have decades of managerial experience and well-established reputations for consistently providing high quality consumer oriented services. The ETN technical staff consists of four people with over 40 years combined of experience in the telecommunication and data field. The technical staff currently maintains an extensive data network, which is operational 24 hours a day, seven days a week. The technical staff have completed continuing education programs and has years of hands-on experience working with the incumbent local exchange carriers. There are formal training programs in place for customer service representatives.
- Q. What services does East Tennessee Network, LLC seek authority to offer?
- A. East Tennessee Network, LLC seeks authority to offer all forms of resold and facilities-based intrastate telecommunications services in Tennessee. ETN will provide service using its own facilities, the leased unbundled network elements of other carriers, and/or by resale of the services of other carriers. ETN will collocate eligible equipment in the ILEC central office and utilize certain UNEs.
- Q. Will East Tennessee Network, LLC offer service to all consumers within its service area?
- A. East Tennessee Network, LLC will endeavor to offer service to all consumers. However, the availability of some of the services that ETN may be limited by technology and the availability of facilities.
- Q. Does ETN plan to offer local exchange telecommunications services in areas served by any incumbent local exchange telephone company with fewer than 100,000 total access lines?
- A. Not at this time.
- Q. Will the granting of a certificate of convenience and necessity to East Tennessee Network, LLC serve the public interest?
- A. Yes, grant of a Certificate of Public Convenience and Necessity to East Tennessee Network, LLC would serve the public interest. East Tennessee Network will provide competitive services in areas that there is little competition. Additional competition is in the public interest in that it increases choice and tends to reduce prices. East Tennessee Network also can serve areas that are under-served, thereby serving the public interest.

- Q. Does East Tennessee Network, LLC intend to comply with all TRA rules, statutes, and orders pertaining to the provision of telecommunications services in Tennessee, including those for disconnection and reconnection of service?
- A. Yes, East Tennessee Network, LLC intends to comply with all TRA rules statutes and orders, including TCA 65-4-201.
- Q. Has any state ever denied East Tennessee Network, LLC or one of its affiliates authorization to provide intrastate service?
- A. No, this is the first application filed, in any state, by East Tennessee Network, LLC for authority to provide regulated services.
- Q. Has any state ever revoked the certification of East Tennessee Network, LLC or one of its affiliates?
- A. No.
- Q. Has East Tennessee Network, LLC or one of its affiliates, ever been investigated or sanctioned by any regulatory authority for service or billing irregularities?
- A. No.
- Q. Who is knowledgeable about East Tennessee Network, LLC's operations and will serve as East Tennessee Network, LLC's regulatory and customer service contact?
- A. I am knowledgeable regarding operations and will serve as the regulatory contact. Mr. Charlie Simpson will serve as the customer service contact.
- Q. Please explain in detail East Tennessee Network, LLC's proposed procedures for responding to information requests from the TRA and its staff.
- A. All staff and TRA information requests can be directed to me at:

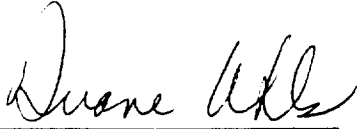
Duane Uhls, Vice-President
East Tennessee Network, LLC
125 Summer Street
Greeneville, TN 37743

Alternatively, I can be contacted by telephone at (423) 798-0545, or by email at duhls@xtn.net. I will promptly respond to any requests by the TRA or its staff.

Q. Does this conclude your testimony?

A. Yes, this concludes my testimony.

I swear that the foregoing testimony is true and correct to the best of my knowledge.



Duane Uhls
Vice-President
East Tennessee Network, LLC

Subscribed and sworn to me this 1th day of August 2001.

Notary Public 
State of Tennessee

County of Blaine

My commission expires 2/11/2003

**BEFORE THE
TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

**APPLICATION OF EAST TENNESSEE
NETWORK, LLC FOR A CERTIFICATE
TO PROVIDE COMPETING LOCAL
TELEPHONE SERVICES**

PRE-FILED TESTIMONY OF ROBERT WAGLER

I, Robert Wagler, do hereby testify as follows in support of the application of East Tennessee Network, LLC (ETN) for a Certificate of convenience and necessity as a competing telecommunications services provider to provide telecommunication services throughout the State of Tennessee.

Q. Please state your full name, business address, and position.

A. My name is Robert Wagler and my business address is 125 West Summer St., Greeneville, Tennessee. I am Chief Financial Officer of East Tennessee Network, LLC.

Q. Please describe your business experience and educational background.

A. My biography is included as part of **EXHIBIT E**.

Q. Please briefly describe your duties.

A. I am responsible for accounting, finance, and tax matters of East Tennessee Network, LLC and its affiliate companies.

Q. What are the affiliate companies of East Tennessee Network, LLC?

A. Some of the affiliate companies of ETN include: The Greeneville Sun, The Rogersville Review, The Daily Post Athenian, The Herald-News in Dayton, The Monroe County Advocate & Democrat, The Newport Plain Talk and the News-Herald in Lenoir City.

Q. Please describe the current corporate structure of East Tennessee Network, LLC.

A. ETN is a Board managed LLC chartered in Tennessee. The Chief Manager of the Board is Mr. Gregg K. Jones. Mr. Jones' biography is included in **EXHIBIT E**. East Tennessee Networks, LLC is a closely held family business. The businesses are in their fourth generation of family management.

Q. Would you please describe the financial statements in **EXHIBIT F**?

A. **EXHIBIT F** presents the income statement for full year of 2000 and the first six months of 2001. It also includes the Balance Sheet and a Statement of Cash Flows for the same periods. ETN is operating on a positive cash flow basis. **EXHIBIT F** also contains financial projections for 2002, 2003, and 2004. The financial projections conclude that ETN will continue to operate on a profitable basis.

Q. How are the operations of East Tennessee Network, LLC funded?

A. East Tennessee Network, LLC has been able to internally fund its operating and capital needs. The group of affiliated companies utilizes a common cash pool whereby funding requirements are provided. Initially, ETN drew its operating and capital needs from the common cash pool. However, ETN is now a contributor to the affiliate cash pool. Funding for capital expenditures will be available to ETN from the common cash pool.

Q. Would you please describe the Capital Expenditure Budget in **EXHIBIT G**?

A. **EXHIBIT G** contains the Capital Expenditure Budget for East Tennessee Network, LLC for 2001-2003. The company forecasts it will be able to fully fund its capital expenditures from internally generated funds.

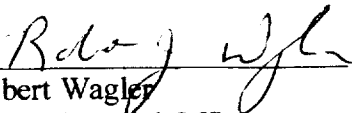
Q. Does East Tennessee Network, LLC possess the requisite financial ability to provide the services for which it has applied for authority?

A. Yes, East Tennessee Network, LLC possesses the requisite financial ability to provide competing local telephone services in Tennessee. The company and its affiliates have a long history of financial integrity. The capital to fund ETN's capital expenditure budget is readily available.

Q. Does this conclude your testimony?

A. Yes, this concludes my testimony.

I swear that the foregoing testimony is true and correct to the best of my knowledge.


Robert Wagler
Chief Financial Officer
East Tennessee Network, LLC

Subscribed and sworn to me this 7 day of August 2001.

Notary Public 
State of Tennessee

County of Greene

My commission expires 2/11/2003